

Lowell Public Schools

SPED Stabilization and Delayed Bills

As of July 16, 2020



AGENDA

- What are bad bills?
- Why they happen?
- How we will resolve?
- SPED Stabilization Acct

WHAT ARE BAD BILLS??



Section 64. Any town or city having unpaid bills of previous fiscal years which may be legally unenforceable due to the insufficiency of an appropriation in the fiscal year in which such bills were incurred may, in the case of a town, at an annual meeting by a four fifths vote, or at a special meeting by a nine tenths vote, of the voters present and voting at a meeting duly called, and, in the case of a city which accepts this section, by a two thirds vote of the city council, appropriate money to pay such bills; but no bill or payroll shall be approved for payment or paid from an appropriation voted under authority of this section unless and until certificates have been signed and filed with the selectmen or the city auditor, as the case may be, as hereinafter provided, stating under the penalties of perjury that the goods, materials or services for which bills have been submitted were ordered by an official or employee of the town or city and that such goods and materials were delivered and actually received by the town or city or that such services were rendered to or for the town or city, as the case may be.

Every such certificate that goods, materials or services were so ordered shall be signed and filed by the official or employee of the town or city who ordered the same or, if he has ceased to be an official or employee of the town or city, by any official or employee of the town or city; every such certificate of delivery to the town or city of goods or materials shall be signed and filed by the vendor thereof or, if such vendor is a corporation, shall be signed and filed by the treasurer thereof; every such certificate that goods or materials were received by the town or city shall be signed and filed by an official or employee of the town or city; and every such certificate of services rendered to or for a town or city shall be signed and filed by the person who rendered such services.

This section shall not prohibit or prevent appropriations by a majority vote for bills or obligations of previous fiscal years due to any other town or to a district, a city, a county or the commonwealth, or for legally incurred debt and interest the payment of which is provided for by any general or special law.

Company	Amount	Account #	
ICCD	\$ 1,500.00	99320109-530002	SPED-Contracted Services
Devereux Foundation	\$ 6,162.86	99320115-575333	SPED- Tuition
Wayside Youth & Family	\$ 4,230.08	99320115-575333	SPED- Tuition
Walker, Inc	\$ 5,941.74	99320115-575333	SPED- Tuition
Valley Collaborative	\$ 24,436.00	99320115-575333	SPED- Tuition
The Guild for Human Services	\$ 7,790.64	99320115-575333	SPED- Tuition
South Shore Ed. Collaborative	\$ 25,591.42	99320115-575333	SPED- Tuition
Novak Educational Consulting	\$ 22,500.00	99320115-575333	SPED- Tuition
	\$ 98,152.74		
Baystate Interpreters	\$ 3,900.89	99341504-530000	Student Support
Baystate Interpreters	\$ 4,206.97	99341504-530000	Student Support
Baystate Interpreters	\$ 474.50	99341504-530000	Student Support
Baystate Interpreters	\$ 9,825.83	99341504-530000	Student Support
Baystate Interpreters	\$ 817.50	99341504-530000	Student Support
Baystate Interpreters	\$ 6,454.57	99341504-530000	Student Support
Baystate Interpreters	\$ 306.00	99341504-530000	Student Support
Baystate Interpreters	\$ 12,101.29	99341504-530000	Student Support
	\$ 38,087.55		
Derry Coop School District	\$ 5,746.36	99348012-577615	McKinney Vento-Homeless
	\$ 5,746.36		
	\$ 141,986.65		

**PRESENTED in 1/13/21 SC
Packet**

**Additional Delayed
Bills that have been
reviewed** (Notified City
Council on 1/12/20 that more
bills were received AFTER the
bills that were currently being
reviewed)

LOCAL EDUCATION INSTRUCTION		
DEVEREUX FOUNDATION	\$ 6,162.86	Summer school services in June
WAYSIDE YOUTH & FAMILY	\$ 4,230.08	Summer school services in June
WALKER, INC	\$ 5,941.74	Summer school services in June
WALKER, INC	\$ 5,941.74	Summer school services in June
WALKER, INC	\$ 2,970.80	Summer school services in June
VALLEY COLLABORATIVE	\$ 7,884.00	DCF placement
VALLEY COLLABORATIVE	\$ 7,008.00	DCF placement
VALLEY COLLABORATIVE	\$ 8,760.00	DCF placement
VALLEY COLLABORATIVE	\$ 7,884.00	DCF placement
THE GUILD FOR HUMAN SERVICES	\$ 7,790.64	Contested - overcharged by 30 days
	\$ 64,573.86	

WHY THEY HAPPEN?



Out of District and Homeless Placements Make Delayed Bills Inevitable

- **GROUP HOMES** outside of Lowell - students living in other communities in group home placements placed there by DCF where Lowell is fiscally responsible and has no power over decision making. DCF moves these students frequently and without notice to the school district which results in bad bills.
- **HOMELESS** - a student's family became homeless out of Lowell and is placed temporarily in another community and Lowell is responsible for the tuition. If a homeless child who has never attended Lowell Public Schools has a parent who now resides in Lowell, we may get charged bills for past periods for a child who never attended LPS.
- **RESIDENTIAL STUDENTS PLACED BY DCF** (DCF can decide to place students under DCF custody residentially. This happens without notice to LPS and, thus, we get bills after the fact without any contract or purchase orders in place. This results in bad bills.
- **MOVE INs FROM OTHER STATES/TOWNS** - If a student moves to Lowell from another state with a Private Day and/or a Public Day IEP, Lowell Public Schools is immediately fiscally responsible for that student's educational placement. If a student moves to Lowell from another Massachusetts town with a Public Day IEP, Lowell Public Schools is immediately fiscally responsible for that student's educational placement. Again, there is no time built in to prepare a contract between the OOD placement and Lowell.
- **MOVE-IN LAW OUT OF LOWELL** - If a student with a Private Day IEP moves out of Lowell into another Massachusetts town before April 1st of that school year, then Lowell is fiscally responsible for that child's Private Day placement until the end of the Fiscal Year i.e. 06/30/2021; If a student with a Private Day IEP moves out of Lowell into another Massachusetts town after April 1st of that school year, then Lowell is fiscally responsible for that child's Private Day placement **through the end of the following Fiscal year** i.e. 06/30/2022
- **COST-SHARE WITH OTHER SCHOOL DISTRICTS** -If both parents of a student with a Public/Private Day IEP have legal/physical custody of that child but each parent lives in a different town, then both towns are equally Programmatically and Fiscally responsible for that child's Public/Private Day Placement

Examples of Issues that Cause Bad Bills

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- DCF placed a student who had previously attended Tyngsborough Public Schools in a residential program. We received bills for this student who did not attend Lowell AFTER THE FACT simply because DESE determined that we had fiscal responsibility due to the father of the child living in Lowell. We have no way of knowing if we will receive bills after the fact for DCF placed or homeless students.
- We call vendors to see if there are outstanding invoices before we close the purchase orders. During these pandemic months, it has been difficult to reach many vendors. We have a paper trail of one vendor stating that they had no additional invoices since COVID interrupted their work. Now, months later they are invoicing despite that earlier message. Before I will submit that bill, I need proof from them that the work was done since they expressly stated in the email to us that they had not.
- We are contesting another bill since they overcharged us 30 days for a student that is no longer attending that school. The bill should not include days past the child's last day.
- Another example is of a vendor who was told via email that they should not service a student until the contract is received. Despite this written directive, they serviced the student in February when the contract is not dated and executed until March 28th.

Pandemic Delays

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- Vendors were remote – invoicing delayed and no responses when we reached out to them during open purchase order report review
- Mail Couriers for schools- remote; mail was delayed even with post offices (we had to pick mail up from Billerica)
- Schools were closed and teachers were not allowed in the buildings; thus, they could not scan or get signatures needed by principals
Central office was remote
City Hall was remote
- Colleges were remote so grades were delayed

All in all, during the pandemic, the world was remote and numerous delays occurred. The teachers should still get their reimbursements.

HOW WE WILL RESOLVE?



What we have done to prevent delayed bills

(Last year, we dealt with
employee corrections
and this year it is vendor
oriented)

- We offer **training** to the 28 school clerks in the district and work with City Hall's purchasing department to offer additional training.
- We send out **frequent reminder emails** to the school clerks and departments on the importance of entering purchase orders prior to ordering.
- We send out **quarterly open purchase order reports** rather than just at year end to have the school clerks/administrators review their open orders to determine which can be closed or which might have missing invoices.
- We do a **year end review** with schools on open purchase orders to trigger an investigation for missing invoices.
- Developed a **partnership** between sped and finance to track individual student payments to identify missing invoices. Assistant SPED Director now oversees fiscal end of out of district placements.
- We could potentially add a **policy** to let vendors know that if invoice is not submitted in timely manner, we won't pay.
- Since one problem is bills going to various individuals, we are setting up an **Accounts Payable email address** for LPS and will advertise this on invoices and purchase orders

SPED STABILIZATION ACCOUNT

Section 13E: School district reserve funds to pay for unanticipated or unbudgeted costs for special education, out-of-district tuition or transportation

Any school district which **accepts** this section, by a **majority vote of the school committee and a majority vote of the legislative body** or, in the case of a regional school district by a majority vote of the legislative bodies in a majority of the member communities of the district, may establish and appropriate or transfer money to a reserve fund **to be utilized in the upcoming fiscal years, to pay, without further appropriation, for unanticipated or unbudgeted costs of special education and recovery high school programs, out-of-district tuition or transportation**. The balance in such reserve fund shall not exceed 2 per cent of the annual net school spending of the school district.

Funds shall only be distributed from the reserve funds after a majority vote of the school committee and a majority vote of the board of selectman or city council, or, in the case of a regional school district by a majority vote of the board of selectmen or city council in a majority of the member communities of the district. The district treasurer may invest the monies in the manner authorized in section 54 of chapter 44 and any interest earned thereon shall be credited to and become part of the fund.

SPED STABILIZATION





Account Inquiry [CITY OF LOWELL]



Back



Search



Browse



Output



Print



Display



PDF



Save



Excel



Word



Email



Schedule

(0)



Attach



Detail



Months



Seg Find



Totals

U

Fund 8395 ... SPED STAB
Org 8395 ... SPED STAB
Object 104000 ... CASH UNRES
Project ...

Acct 8395-0-000-000-000 -00-0-50-104000-

Acct name CASH UNRESTRICTED C

Account Notes

Type Balance Sheet ▼

Status Active ▼

Rollup ...

Sub-Rollup ...

☐ Annual Budgeting

☒ MultiYr Fund

4 YEAR COMPARISON

HISTORY

4 YEAR GRAPH

HISTORY GRAPH

Yr/Per 2021/12

Fiscal Year 2021

Fiscal Year 2020

Fiscal Year 2019

Fiscal Year 2022

Original Budget

.00



.00



.00



.00



Transfers In

.00



.00



.00



.00



Transfers Out

.00



.00



.00



.00



Revised Budget

.00

.00

.00

.00

Actual (Memo)

1,388,458.79



.00



.00



.00



Encumbrances

.00



.00



.00



.00



Requisitions

.00



.00



Available

.00

.00

.00

.00

Percent used

.00

.00

.00

.00



1 of 16



Display detail information for current account.

Massachusetts Department of Elementary and Secondary Education

FY22 Chapter 70 district summary

EA	District		OP*	Foundation enrollment	Foundation budget	Required contribution	Chapter 70 aid	Required net school spending
160	Lowell		1	16,047	231,415,707	54,090,653	177,325,054	231,415,707

* Operating status: Operating districts are coded as 1's and non-operating districts are coded as 0's. Non-operating districts do not operate their own schools and typically belong to regional academic and vocational districts.

BALANCE in SPED STABILIZATION RESERVE FUND CANNOT EXCEED 2 PERCENT OF THE ANNUAL NET SCHOOL SPENDING OF THE SCHOOL DISTRICT

$$\text{\$231,415,707} \times .02 = \text{\$4,628,314 MAXIMUM BALANCE}$$

Recommendation: Approval to forward to City Council for payment under MGL 44 S64 using funds from Lowell Public School's general fund or circuit breaker revolving account

